WEEKLY ECONOMIC REVIEW

February 15, 2008

The cost of a new home in Alberta grew modestly in December, edging up 0.3% from November. Most of the increase was concentrated in Calgary where, after two months of declines, prices rose 0.6% in December. Despite the gradual slowing of the Alberta housing market seen in the second half of the year, new home prices in 2007 were up 22.5% compared to 2006.

Overall, new home prices in Canada rose 0.1% between November and December. The prairie provinces led growth in home prices in 2007, especially Saskatchewan, where Saskatoon (45.1%) and Regina (25.9%) experienced country-leading year-over-year growth.

In December, manufacturing shipments in Alberta fell 1.2% from November and 0.5% since December 2006. Nationally, monthly manufacturing shipments reached their lowest level in three years, falling 3.4% from November. Shutdowns at several motor vehicle plants and slumping wood product sales were major contributors to the decline.

Canada's merchandise trade surplus reached its lowest level in nine years in December. Exports shrank by 3.1% while imports edged up 0.7% from November. The strong loonie and waning demand from the U.S. were major factors leading to the shrinking trade surplus.

Cdn Dollar (US¢/C$)

February 15, 2008	99.84
February 8, 2008	100.1
2007-08 YTD	96.72

WTI Oil US$/bbl

February 14, 2008	$ 95.46
February 7, 2008	$ 88.11
2007-08 YTD	$ 79.11

Nymex Natural Gas C$/MMBtu *

March Contract

February 15, 2008	$ 8.73
February 8, 2008	$ 8.35

*Estimate based on Nymex Futures Market Price

Sales of new motor vehicles in Alberta rose for the third consecutive month in December, up 2.9% from the previous month. Canadian vehicles sales grew 4.8% between November and December as car makers lowered prices to reflect the stronger Canadian dollar.

In January, retail sales in the United States rose 0.3% from December. This gain in consumer activity was unexpected by most economists given the recent slowdown in the economy. An early February reading of American consumer sentiment suggests that the gains may be short lived, as the index plummeted to its lowest level since 1992.

Oil prices were up by more than US$7 from last week, closing at US$95.46 on Thursday. Supply concerns related to a dispute between Venezuela and ExxonMobil and a weak U.S. crude stockpile report led to the surge.

Economic Indicators Released this Week	Reference Period	Month/Previous Month (M/M)	Month/Previous Year's Month(Y/Y)	Year-to-date[1]
Manufacturing Shipments (Millions)[2]	**December**			
Alberta	$5,473	-1.2%	-0.5%	1.0%
Canada	$48,630	-3.4%	-6.4%	0.3%
New Housing Price index (1997=100)	**December**			
Alberta	255.4	0.3%	12.5%	22.5%
Canada	156.7	0.1%	6.2%	7.7%
Motor Vehicle Sales (units)[2]	**December**			
Alberta	21,430	2.9%	-3.3%	3.4%
Canada	140,270	4.8%	-4.8%	1.5%

Source: Statistics Canada. [1]Year-to-date 2007 compared to the same period in 2006. [2] Seasonally adjusted